



City of Falls Church FY 2006 - 2007

EXPENDITURE and CAPITAL IMPROVEMENTS PROGRAM

FY 2007 BUDGET

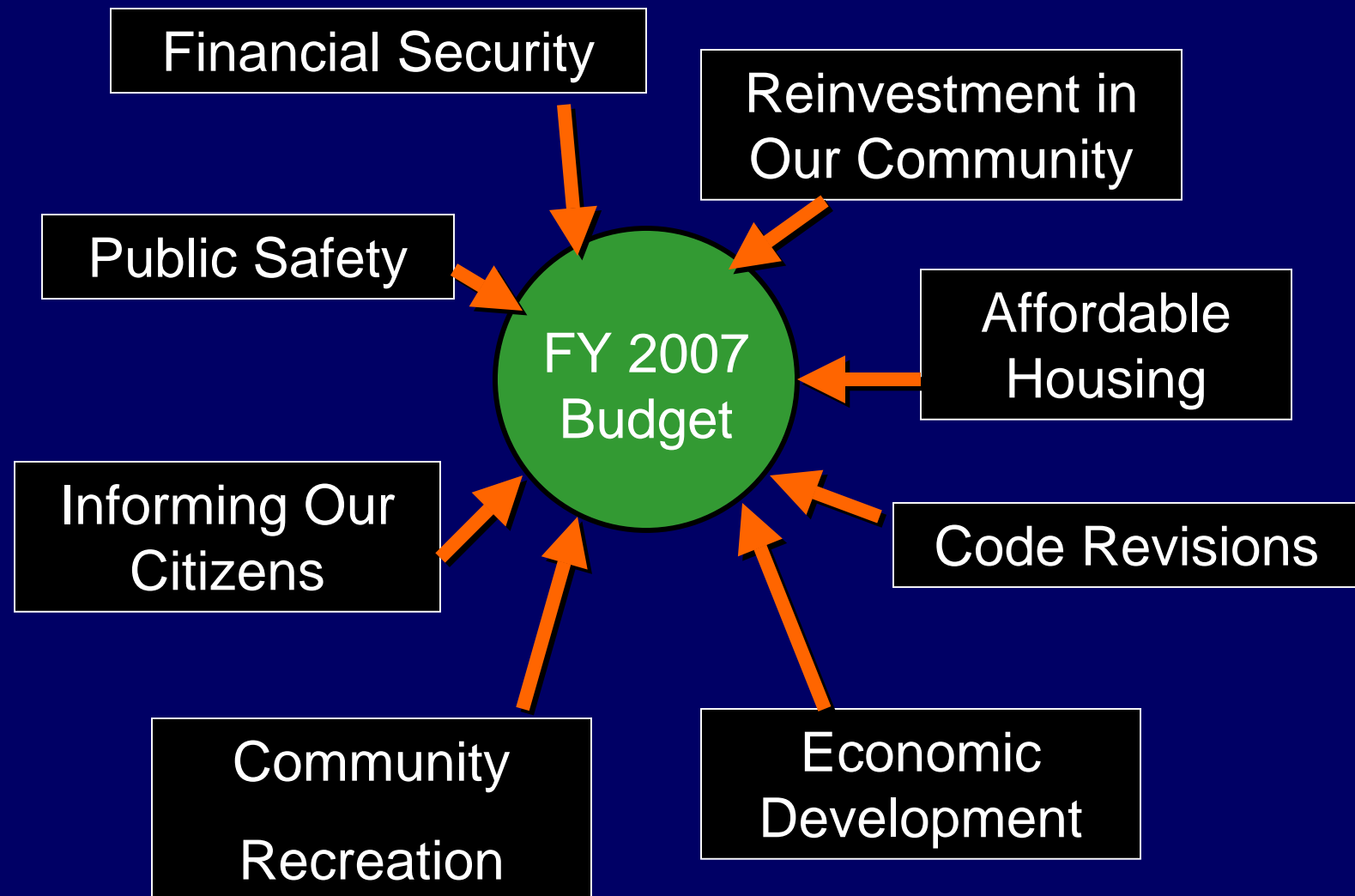
CONSIDERATIONS

**Maintain the City's financial standing
including its solid bond rating, and...**

Rating	S&P	Moody's	Fitch
Highest quality	AAA	Aaa	AAA
	AA+	Aa3	AA+
High quality	AA	Aa2	AA
	AA-	Aa1	AA-
	A+	A3	A+
Upper medium quality	A	A2	A
	A-	A1	A-
Medium grade	BBB	Baa	BBB
Somewhat speculative	BB	Ba	BB
Low grade, speculative	B	B	B
Low grade, default possible	CCC	Caa	CCC
Low grade, partial recovery possible	CC	Ca	CC
Default, recovery unlikely	C	C	C

FY 2007 BUDGET

CONSIDERATIONS



THE BUDGET IS BALANCED

- ✓ Without a change in the real estate tax rate of \$1.03
- ✓ Without any new general fund fees for service
- ✓ Without any changes in the City's financial policies
- ✓ Without any change in the water/sewer rate adjustment

FY 2007 BUDGET

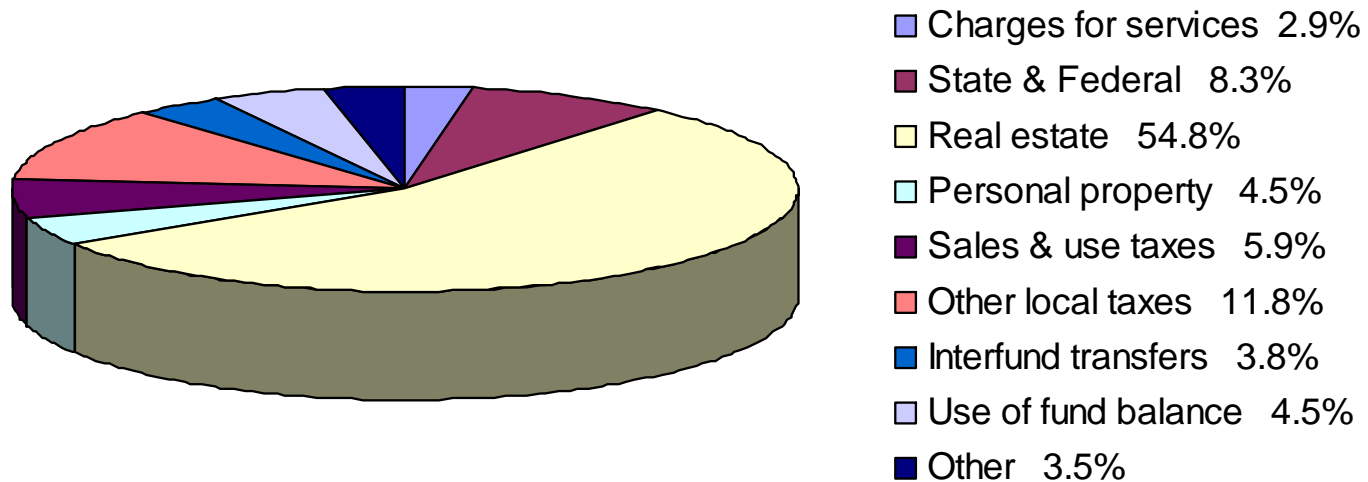
REVENUE CHANGE – FY 06 to FY 07

Revenue	FY 06	FY 07	% Change
Taxes	44,810,333	52,144,018	16.4%
Other	14,801,529	12,265,499	-17.1%
PAUG	3,283,572	3,053,740	-7.0%

FY 2007 BUDGET

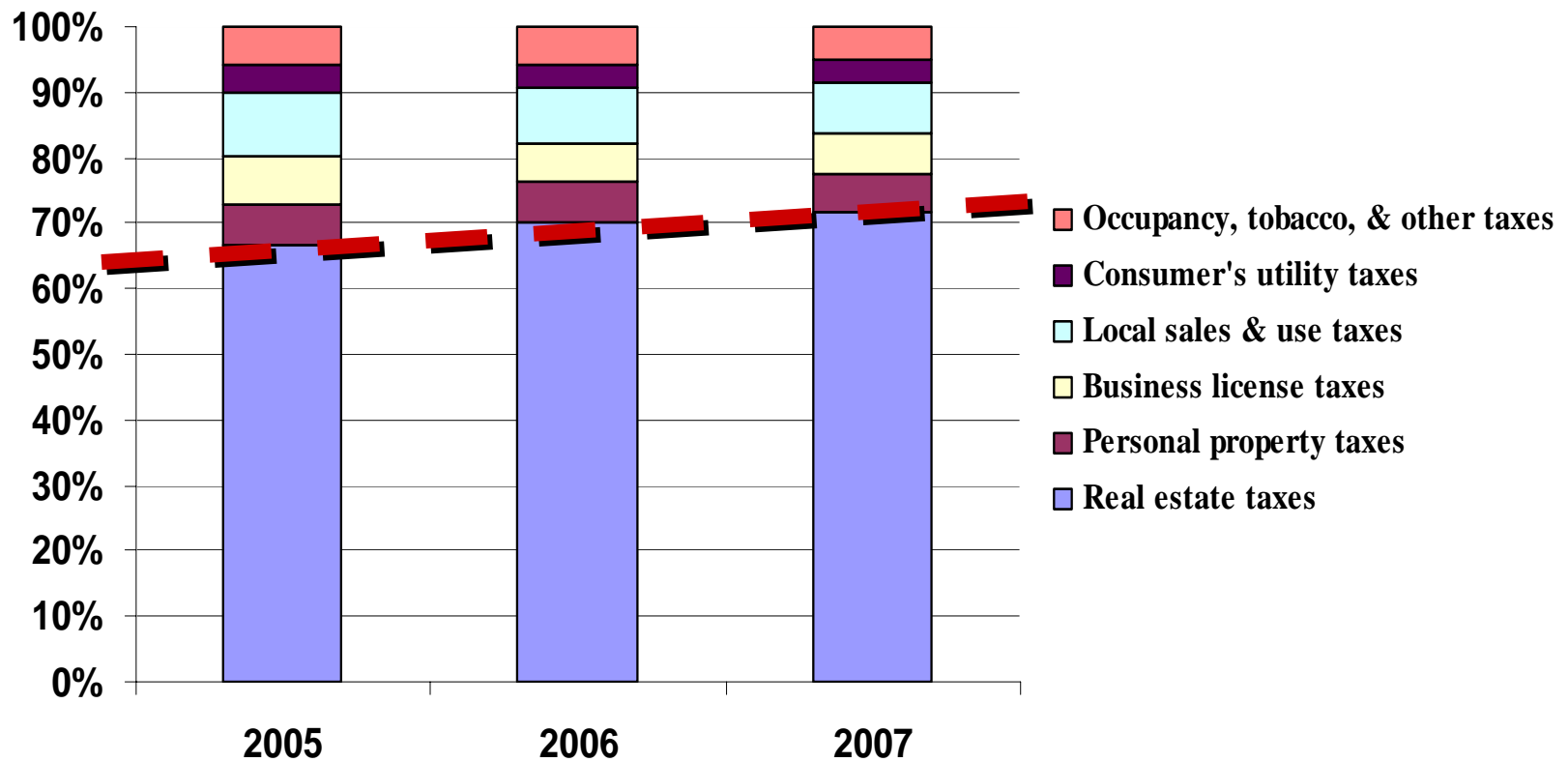
GENERAL FUND REVENUES

General Fund Revenues



FY 2007 BUDGET

TAX REVENUES 2005-2007



FY 2007 BUDGET

EXPENDITURES AND MAJOR INITIATIVES

FY 2007 BUDGET

**EXPENDITURE CHANGE
FY 06 to FY 07**

	FY06	FY07	Change
School Transfer	\$25,107,302	\$27,652,094	10.1%
City	\$29,533,712	\$31,519,852	6.7%
Debt Service	\$ 5,034,687	\$ 5,237,573	4.0%
PAUG	\$ 3,283,572	\$ 3,053,740	-7.0%

FY 2007 BUDGET

Falls Church City Public Schools



FY 2007 BUDGET

CITY TRANSFER TO SCHOOLS

	Amount	Increase from Prior Year
2001	\$17,466,409	
2002	18,278,455	4.65%
2003	19,338,550	5.80%
2004	21,113,532	9.18%
2005	22,781,478	7.90%
2006	25,107,302	10.21%
2007	27,652,094	10.14%
Average		7.98%



INITIATIVES

FINANCIAL SECURITY

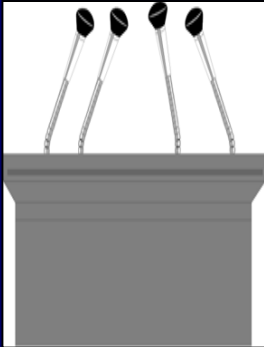
- **Assessed values**

Overall 18% increase, only 15% due to sales, 3% new construction.

Ten year average increase is 12.68%.

- Dependent upon financially secure water and sewer funds.
- Strategic use of cash reserves and bonding to finance capital investment.

INITIATIVES



INFORMING OUR CITIZENS

Revamp City's web page

- Facilitate community access to information.
- Provide capability to submit forms online and register for classes.
- Allow real time updates to the web page to facilitate distribution of new and important information.

FY 2007 BUDGET

INITIATIVES



ENVIRONMENTAL SERVICES:

**A \$50,000 expenditure
to fund construction
project management
and support
(outsourced).**

FY 2007 BUDGET

INITIATIVES

CITY CLERK

A \$25,000 initiative to secure the services of a code rewrite vendor to update the City's General Ordinances. The review includes comparing our ordinances to current State law and VA Supreme Court decisions.

INITIATIVES

COMMUNITY RECREATION

- **Field monitor.**
- **Master Plan Hamlet Property.**
- **Initiate plan for Frady Park.**

FY 2007 BUDGET

INITIATIVES

ECONOMIC DEVELOPMENT

The Byron – \$60 million

The Spectrum - \$75 million

500 S. Maple - \$124 million

City Center

Reallocated money from Planning to Economic Development to help assist in City Center research efforts.

FY 2007 BUDGET

INITIATIVES

POLICE DEPARTMENT

\$188,740 initiative to update and/or purchase new equipment in areas to support gang and community policing, and in car video and audio. Funded using PAUG funds.

INITIATIVES

AFFORDABLE HOUSING

- 754 units of housing classified as “affordable”.
- They are at risk to remain affordable (expiring in 2010).
- City’s needs to expand its role in managing this risk.

INITIATIVES

AFFORDABLE HOUSING

- So far the City has approved 616 new condominium units.
- Successfully obtained 39 as affordable, or 6%.
- Also received \$200,000 in cash contributions.
- However.....

INITIATIVES

AFFORDABLE HOUSING

- Losing only 1/2 of the at risk units (377) and gaining 39 through proffers, leaves a net deficit of 338 units.
- Action Plan –
 - \$74,972 in funding to hire an affordable housing specialist.
 - \$150,000 to hire a consultant to identify the at risk units, and strategy for saving them as affordable.
 - \$2,000,000 is included in the 2008 CIP as the City's investment in affordable housing.

INITIATIVES NOT FUNDED

Recycling/Waste reduction

WIFI

Park maintenance worker

Mentoring – Court Services

Additional library staffing

Electrical Inspector

Motorcycle Unit

Roadbed assessment

FY 2007 BUDGET

WATER FUND

Adopted FY 06 - \$ 29,399,824

Proposed FY 07 - \$ 32,983,154

5.3% decrease in operating expenses

Rate study under way.

May result in new rates set prior to 7/1/06.

Issue debt as needed for capital projects.

FY 2007 BUDGET

SEWER FUND

Adopted FY 06 - \$2,159,838

Proposed FY 07 - \$3,087,455

1% decrease in operating expenses

**\$400,000 sewer line repairs, \$550,000 for
Arlington and Fairfax plant upgrades**

Planning Commission Recommended CAPITAL IMPROVEMENTS PROGRAM

- **Total Water Utility \$15,965,000**
- **Total Schools \$1,925,000**
- **Total Parks and Recreation \$585,000**
- **Total Public Works \$2,026,000**
- **Total Sewer Utility \$950,311**
- **Total Affordable Housing \$150,000**
- **Total Library Technology \$127,000**
- **Total Public Safety \$100,000**

FY 2007 BUDGET

City Manager's Recommended ALTERATIONS AND DELETIONS TO 2007-2011 CIP

- **Property acquisition \$600,000 per year for five years given Council's desire to participate in this process.**
- **Long term facilities planning, \$675,000**
Moved to 2008 as premature and should follow school population study scheduled for 2007.
- **Property Yard Relocation**
Move out to FY2008

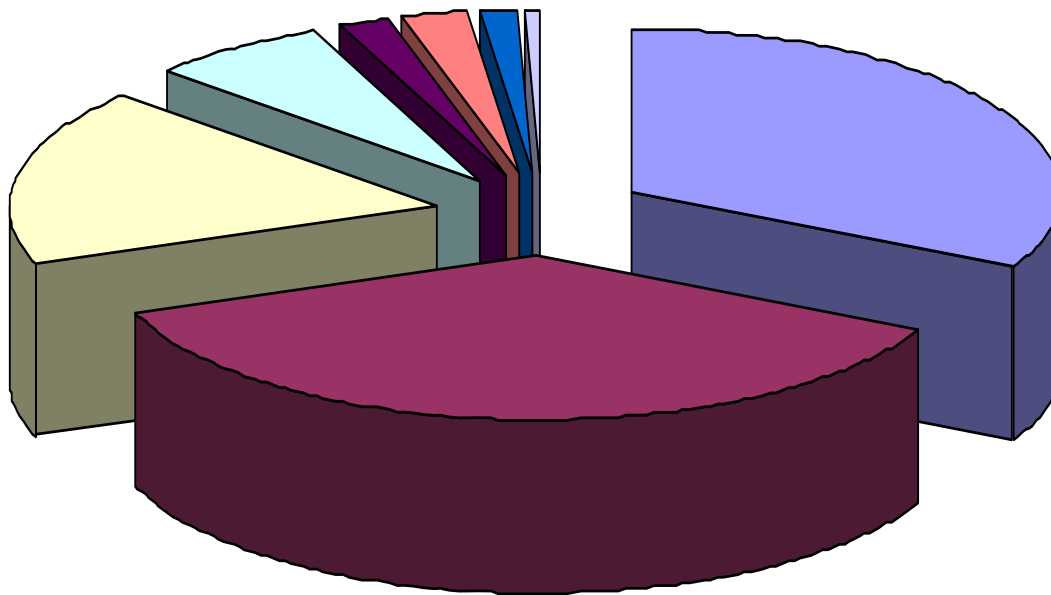
FY 2007 BUDGET

FIVE YEAR CAPITAL IMPROVEMENTS PROGRAM

Schools	\$	27,760,000
Water Utility	\$	31,610,000
Public Works	\$	14,856,000
Sewer Utility	\$	5,704,555
Parks and Recreation	\$	1,620,000
Affordable Housing	\$	2,150,000
Public Safety	\$	1,379,939
Technology	\$	377,000

FY 2007 BUDGET

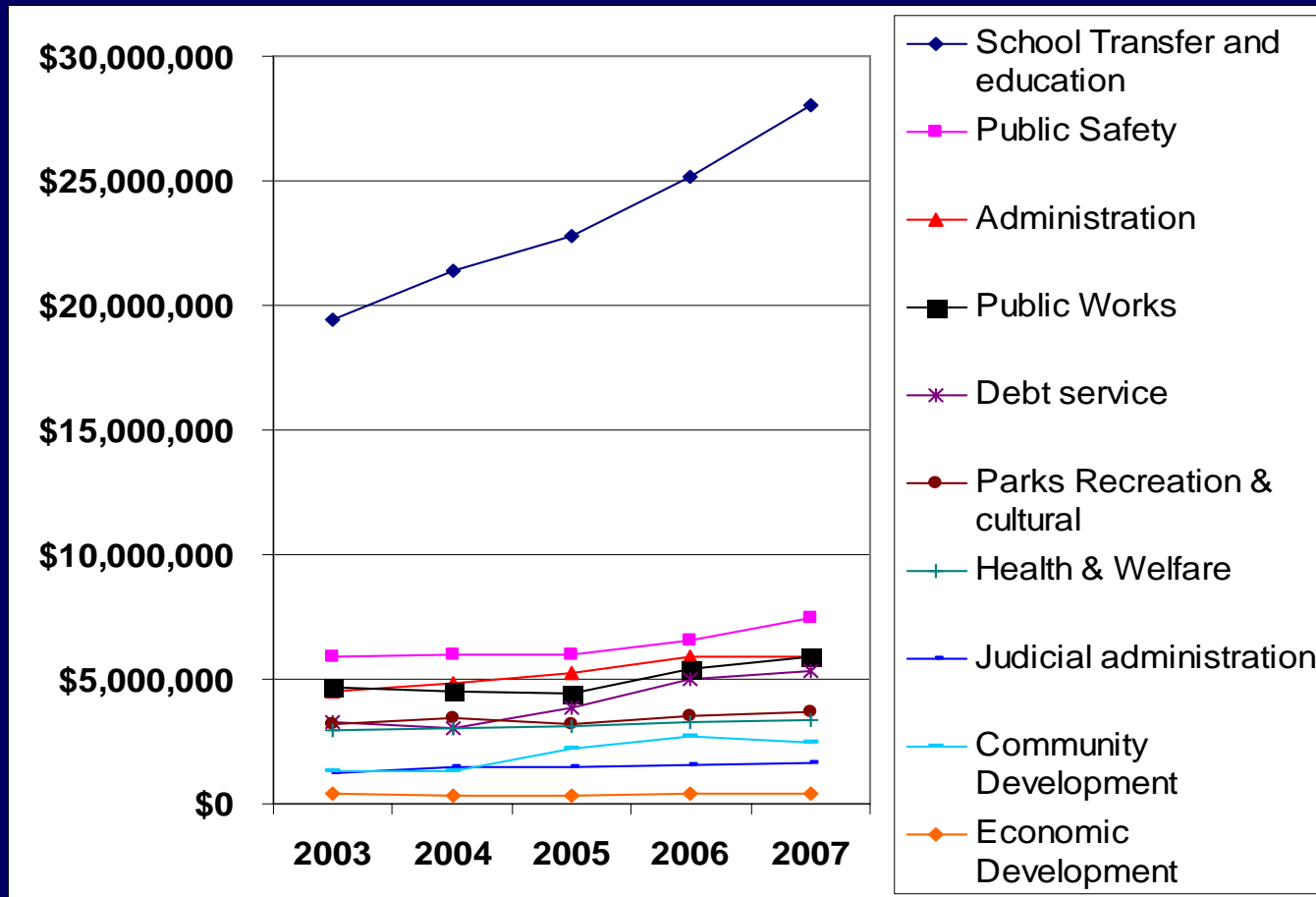
FIVE YEAR CAPITAL IMPROVEMENTS PROGRAM



Schools	32.5%
Water	37.0%
Sewer	17.3%
Public Works	6.7%
Parks & Recreation	1.9%
Affordable Housing	2.5%
Public Safety	1.6%
Technology	0.5%

FY 2007 BUDGET

FIVE YEAR REVENUE/EXPENDITURES PROJECTIONS



FY 2007 BUDGET

RECOMMENDATION

Advertise \$1.03 tax rate for public hearing

FY 2007 BUDGET

2005 average assessed value \$547,100

Taxes – Value (100) times \$1.03 = \$5,635

2006 average assessed value \$628,700

Taxes – Value times \$1.03 = \$6,475

Difference - \$840 or +14.9% (average)



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